

NSC BRIEFING

11 March 1958

BACKGROUND PIECE ON CURRENT YUGOSLAV SCENE

- I. Tito pressing to find some issue which will bolster his international prestige.
 - A. National elections this month and a very important party congress in April are immediate reasons for garnering some international glory.
 - B. Tito's skill in obtaining benefits (\$464 million in East bloc credits and about \$1.3 billion in military and economic aid from the US) from both East and West while remaining unattached has stemmed primarily from his ability to interject himself with fanfare into the center of the international arena.
- II. Playing ^amajor international role has long been major element in stemming internal opposition to regime.
 - A. On 23 March Yugoslavs will hold elections for over 600 seats in both houses of National Assembly. Last elections held in 1953.
 1. Regime is conducting most vigorous campaign, for although election results are not in doubt, Tito hopes for largest possible turn-out. Voting is voluntary.
 - B. In reply to popular criticism over wage irregularities and high prices--the chief campaign issues--regime is promising further wage increases and price controls.
 1. Tito has publicly stated that unless the basic needs of populace are satisfied, "there might very easily be political effects, and not only dissatisfaction."

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- C. Popular dissatisfaction is not as yet approaching a degree that would threaten the regime's stability.

III. 7th Party congress in April (the first since 1952) will be an important milestone, because it ^{may determine Yugoslavia's future} ~~goes far in determining the position in the Communist world.~~
~~acceptance by the bloc of Yugoslavian communism.~~

- A. The party intends to underscore its successes achieved through workers' self-management and self-government. Although much at congress will be distasteful to the Kremlin, Yugoslavs will attempt to push ideological independence without unnecessarily embarrassing the "Socialist camp" which they have steadfastly refused to join.
- B. Continuing rumors of bad state of Tito's health may have prompted reports that there will be shifts in Yugoslav leadership
1. Most persistent rumor is that President Tito (65 years old) will turn over actual running of government and party to Kardelj and Rankovic, respectively—his two top vice presidents.
 2. This will not mean a lessening of Tito's control. It probably reflects Tito's desire to be relieved of many of his onerous responsibilities, while at the same time preparing for an eventual orderly transfer of power.

IV. Since last fall, when Yugoslav recognition of the East German regime greatly stimulated western suspicions and when Tito voluntarily excluded himself from the Moscow declaration of communist states, Belgrade has been confronted with increasing international isolation.

- A. Tito attempted in January to resurrect the concept of a "third force" of uncommitted states in which he could play a leading role.
1. Indian reticence has, however, apparently frustrated these efforts.
- B. In his New Year's address, Tito stated that any summit talks *should* be expanded to include Yugoslavia and other uncommitted states.
1. Since then, obtaining a seat at the summit has been a major Yugoslav foreign policy objective.
 2. To this end, Yugoslav propaganda has generally supported Soviet policy on summit talks, emphasizing the role Yugoslavia could play.
- C. Recently Belgrade has made demarches to US and UK stressing Belgrade's interest in attending summit talks.
1. Belgrade does not favor a large meeting, but one limited to several "responsible" states of the East and West and one or two unattached states.
 2. On 9 March, Foreign Secretary Popovic in a campaign speech virtually demanded a place at both a preparatory meeting of foreign ministers and at the summit.
- D. Belgrade knows that their chances of attending depends on Western agreement, therefore it appears to be adopting a more reasonable attitude towards the Western position.
1. Nevertheless, Moscow is likely to continue to receive Yugoslav support on most of the significant issues concerning the summit meeting.

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- V. Soviet-Yugoslav relations have remained cool but correct since last fall.
- A. Belgrade has recently complained to Moscow over the blackout in the Soviet press on Yugoslav developments.

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